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Finnish Estimate of Soviet Military Expenditures

Background

An article in the Finnish newspaper Kansalahti dated 13 February 1958 apparently alleges that the Soviet Union spent 137.5 billion rubles on military expenditures, and that this represents a 14 percent increase over the previous year. This caused a rejoinder by the USSR in its European news service broadcast in Finnish on 14 February 1958 in which they point out that the actual sum was only 96.7 billion rubles. This sum has been previously published and should have been available. (Information from EEIS, Daily Report, 21 February 1958, pp. B-2-23 which carries the text of the Soviet broadcast. The Finnish newspaper article is not available in Washington.)

Requirement

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It is requested that [REDACTED] be asked to obtain the original article in Kansalahti and see if it contains some explanation for the figure cited. If it appears that there is some factual basis for the Finnish figure in the light of Soviet announcements we would suggest contacting the author of the article and ask him the following questions.

1. On what basis did he arrive at his estimate of 137.5 billion rubles as the Soviet Union's military expenditures in 1957? What does he include under Military Expenditures?
2. Does he have any information that significant military expenditures are financed in other sections of the Soviet Budget than the Defense section? If so, where, what for and how much?
3. Does he have any information regarding Soviet financial practice as it relates to military expenditures? What does the military pay for? What prices do they pay? Do they get rebates or concessions, e.g., exemption from taxes?

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